



## Strengthening rural health through housing policy improvements

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### Introduction

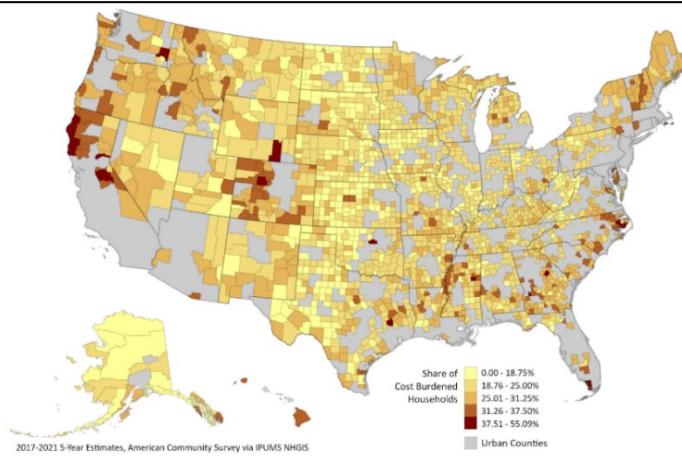
Housing is a key health-related social determinant across populations.<sup>1</sup> Rural residents experience housing affordability and accessibility challenges that mirror urban communities, while facing particular barriers that are unique to rural communities.<sup>2-3</sup> Housing shortages and affordability are often framed as urban issues, often more visible in that setting and more likely to attract the attention of the news and social media.

Issues related to stability, safety, quality, affordability, and neighborhood must be considered when discussing the role of rural housing on health outcomes. Unique challenges that affect housing accessibility in rural areas include remoteness, more limited social safety nets, greater vulnerability to natural disasters and climate issues, and declining industries.<sup>2-4</sup> These challenges can exacerbate risks already associated with housing; for example, mental illness and substance use, when combined with remoteness and limited resources, can create a cycle of housing insecurity and poor health outcomes.<sup>5</sup> Housing insecurity can be less visible in rural environments when unhoused residents are living in their cars or “couch surfing” and not in the visible encampments or shelters that can be found in urban areas.<sup>3</sup> This lack of visibility can make rural housing challenges harder to identify and address even as they negatively impact the community as a whole.<sup>6</sup>

Rural-informed housing policy is essential where there is a gap between market-driven solutions and the needs of low-income residents. Further, the current extent of rural housing insecurity calls for greater attention and more innovation in continued efforts. Rural communities are often left behind in research and policymaking; much research is conducted with an urban lens, and many policymakers lack personal experience with rural communities.<sup>7</sup> This brief is an effort to recognize the link between housing and health outcomes in rural communities and identify recommendations to address issues that are effective for rural communities.

**Figure 1: Households experiencing housing cost burden in rural U.S. counties (2024)**

Source: University of Minnesota Rural Health Research Center, 2024



### Analysis

Every state in the U.S. is experiencing a shortage of affordable housing.<sup>8</sup> According to the National Low Income Housing Coalition, the number of extremely low-income households (10.9 million) considerably exceeds the number of rental units (7.1 million) that would be considered affordable for this income bracket, although families across other income ranges are also affected.<sup>8</sup> When housing costs – including rent and utilities – exceed 30 percent of a household’s income, they are considered to be “housing cost-burdened.” Families in these households may defray expenditures on other important expenses, including health care, medications and food, in order to afford housing.<sup>8</sup>



Approximately 25 percent of all rural households nationally are housing cost-burdened, compared to 33 percent of urban households. However, this varies state by state, with rural households on the east and west coasts facing the highest rates. In four states (Idaho, Maryland, Massachusetts, and New Hampshire), the proportion of rural households considered to be housing cost-burdened is as high or higher than urban households.<sup>9</sup> Figure 1 illustrates the extent to which rural counties across the country experience housing cost burden.

Rental housing can present a further challenge in rural areas. Rural communities are characterized by higher rates of home ownership than urban areas, with rental units generally, and multi-family units specifically, in short supply.<sup>10</sup> In addition to lower supply creating affordability issues, rural rental units are more likely to be of substandard quality than urban units due to age or upkeep.<sup>10</sup> This creates particular hardships for poorer and younger households who are more likely to be seeking rental properties.<sup>11</sup> Minority populations are also more likely to face substandard housing issues, with rural minority populations among the worst-housed in the entire nation<sup>11</sup> and with rural American Indian and Hispanic households particularly likely to face issues of overcrowding.<sup>10,12</sup>

The range of quality issues affecting rural housing has been well documented. More than 5 percent of rural housing units are either severely or moderately inadequate. Among the most common quality issues are prolonged periods of cold inside the home, blown electric fuses or circuit breakers, leakage, broken windows, crumbling foundation, and signs of mice or rats in the home. Rural housing units are disproportionately affected by rodent activity, water supply stoppage, and missing roofing material compared to nonrural units.<sup>13</sup>

### Eligible housing types and target populations

The Section 515 Rural Rental Housing Loan program administered by the Housing and Community Facilities Program within the U.S. Department of Agriculture's Rural Development (USDA RD) is a key program addressing rural housing. Section 515 has been a cornerstone of federal rural housing policy since its inception in 1963. Its primary goal is to bridge the gap between the limited availability of affordable, decent housing in rural America and the inability of very low- to moderate-income households to secure safe rental units through market mechanisms. By providing direct, long-term, low-interest loans to qualified public and private entities — including nonprofit organizations, limited partnerships, and in some cases individuals — the program enables the purchase, construction, or rehabilitation of multifamily rental housing and related infrastructure in underserved rural communities.<sup>14</sup>

### **Ways housing affects health outcomes<sup>1</sup>**

**Stability:** A lack of stable housing, including chronic homelessness, is associated with poorer health outcomes, including higher morbidity and premature mortality. Among young people, housing instability is correlated with increased risk of teen pregnancy, drug use, and depression. Housing issues can disrupt health in ways as simple as lacking safe and reliable storage for essential medication or medical equipment.

**Safety and quality:** Environmental factors such as lead exposure, water leaks, poor ventilation, and pest infestation are associated with poorer health outcomes. Asthma is one example of a chronic condition associated with substandard housing conditions; brain damage due to lead poisoning is another. Poor temperature control can lead to adverse health events, with the elderly being particularly at risk for cardiovascular distress. High-density housing is associated with infectious disease and psychological distress.

**Affordability:** Housing costs impact health outcomes. The limited availability of affordable, quality housing creates financial strains with health implications. Examples include postponing needed treatment, going without prescription medication, lacking a usual source of medical care, or having difficulty purchasing food due to spending high percentages of income on housing.

**Neighborhood:** Physical proximity to hazards as well as amenities can directly affect health outcomes; access to public transportation, grocery stores, and green spaces are correlated to improved health outcomes, while proximity to high-volume roads is correlated with respiratory illness such as asthma and bronchitis. Neighborhood characteristics such as segregation, crime, and social capital are also associated with health outcomes.



Section 515 supports a wide range of housing configurations, ensuring flexibility to meet diverse community needs, including:

- Family projects (multifamily units designed for households with children)
- Elderly projects (specialized housing for seniors, often incorporating supportive services)
- Congregate living facilities (communal settings for residents requiring some assistance)
- Group homes (for people with disabilities or specialized care needs)

The USDA Section 514/516 Farm Labor Housing Program complements Section 515 by specifically funding the development of housing for domestic farm laborers, a population often excluded from traditional rental markets due to low, seasonal, or unpredictable incomes.<sup>15</sup>

USDA RD utilizes a competitive application process and issues an annual notice of funding availability, with allocations reserved for nonprofits, underserved areas, and designated economic zones. Housing projects developed with Section 515 funds must meet standards established by the agency and comply with standards set by the U.S. Department of Housing and Urban Development (HUD) and the Model Energy Code. Projects are expected to consider both economy and livability. Tenants are prioritized by income; in 2023, the average income of Section 515 tenants was \$16,057, and 88 percent of Section 515 households receive rental assistance, most commonly from Section 521. Additionally, about two-thirds of tenants are elderly or disabled.<sup>16-17</sup>

## Policy recommendations

State and federal policies can play a role in reducing rural housing insecurity and improving related rural health outcomes. This can take two approaches simultaneously. The first is to more deliberately incorporate rural housing issues within ongoing, established policies. The second is to develop and implement policies that specifically target distinct rural housing issues.

**Recommendation 1: Elevate rural housing as a shared federal priority across health, workforce, and economic development.** Designate rural housing as a cross-cutting priority across relevant federal agencies, aligning definitions, metrics, and investment strategies in agencies focused on housing, health, and workforce. Collaboration with philanthropy, foundations, and other nongovernmental partners should also be encouraged to maximize resources and drive innovation in rural housing solutions.

### *Key recommended actions:*

- Establish an interagency working group (HUD, USDA RD, the Health Resources and Services Administration (HRSA), the Federal Office of Rural Health Policy, Economic Development Administration (EDA)) to define rural housing insecurity and coordinate planning.
- Leverage HRSA's rural and workforce shortage area designation systems to inform shared metrics and align resource targeting.
- Embed rural housing as a strategic goal in federal planning processes spanning health, economic development, and housing.
- Encourage federal agencies to coordinate with philanthropy, foundations, and other private or nonprofit entities to expand resources, strengthen technical assistance, and pilot innovative rural housing initiatives.
- Support proposed legislation: Neighborhood Homes Investment Act ([H.R. 2854](#))

Rural housing is too often treated as an isolated or secondary issue by public officials. Making it a unified priority across agencies will drive more effective coordination, reduce duplication, and ensure rural communities benefit from integrated, long-term solutions to improve housing accessibility and reduce the



detrimental health outcomes resulting from housing insecurity. Including philanthropic and nongovernmental partners brings additional funding, capacity, and innovation to the table, resources that can complement federal investments and fill gaps where government programs fall short in generating evidence-based solutions and piloting interventions and programs to address needs.

## **Recommendation 2: Strengthen and align federal support for National Housing Insecurity Index development.**

**Support and accelerate the development of a standardized National Housing Insecurity Index (NHI) led by HUD and promote cross-agency alignment to ensure coordinated use across housing, health, and economic development programs. Such an effort could be informed by currently existing indices that provide data on housing vulnerability and other social issues, including the Centers for Disease Control and Prevention and Agency for Toxic Substances and Disease Registry Social Vulnerability Index and County Health Rankings and Roadmaps Severe Housing Problems data, while filling critical gaps related to rural housing insecurity and related health outcomes.**

### *Key recommended actions:*

- Invest in the continued development, testing, and validation of HUD's Housing Insecurity Index, including short- and medium-form tools suitable for widespread adoption across federal agencies.
- Expand research support and funding to strengthen data collection, refine index indicators, and analyze the relationship between housing insecurity and broader social determinants of health, especially in rural and underserved areas.
- Direct USDA, US Department of Health and Human Services (HHS), HRSA, and EDA to collaborate with HUD and incorporate the finalized index into program eligibility, prioritization, and evaluation strategies.
- Ensure inclusion of rural-specific indicators such as geographic isolation and low population density, housing cost burden and limited rental availability, substandard housing and inadequate infrastructure, and distance to essential services.
- Launch coordinated rural-focused pilot programs across agencies to evaluate how the index informs investments and improves targeting.
- Require disaggregation of housing insecurity data by rural/urban geography to strengthen policy relevance and transparency.

A consistent national measure of housing insecurity will provide clarity and coordination for federal housing investments. Cross-agency adoption of the NHI would enable alignment across programs and reduce duplication, especially for rural communities that are frequently overlooked in broader data sets. Incorporating rural indicators ensures that the index is inclusive of geographic disparities, housing quality issues, and affordability gaps that disproportionately affect rural areas. This approach mirrors the success of tools like the Centers for Disease Control and Prevention's Social Vulnerability Index utilized in disaster preparedness and resource allocation and can drive similarly strategic investments in housing and health equity.

## **Recommendation 3: Implement unified housing insecurity identification standards across federal programs.**

**Develop a consistent, cross-agency framework for identifying housing insecurity that incorporates rural-specific risk factors.**

### *Key actions:*

- Establish a federal workgroup (HUD, HHS, HRSA, USDA) to align housing insecurity screening tools.



- Incorporate rural indicators such as housing quality, proximity to services, and availability of affordable rental units.
- Promote adoption of the standardized framework across housing, health, and community development programs.
- Continue investing in the Rural Capacity Building program at HUD and the Rural Community Development Initiative at USDA RD.

As housing insecurity is an established social determinant of health, consistent and inclusive screening is essential to better identify needs and target support in rural areas.

**Recommendation 4: Strengthen rural-inclusive program design using housing insecurity concepts.** Until a formal index is adopted, direct federal agencies to improve rural and underserved access by integrating housing insecurity measures and rural-relevant indicators into program eligibility criteria, evaluation frameworks, and resource allocation processes.

*Key actions:*

- Direct HUD, USDA, HHS, HRSA, and EDA to apply housing insecurity as a formal consideration in program design.
- Incorporate rural and underserved status using indicators such as low population density, geographic isolation, substandard housing, or limited rental availability.
- Require disaggregation of housing-related data by rural/urban designation to improve targeting, transparency, and outcomes tracking.
- Support proposed legislation: Neighborhood Homes Investment Act ([H.R. 2854](#))

While housing insecurity is increasingly recognized across public health literature as a core social determinant of health, most federal programs don't include it in funding criteria or implementation models. Strengthening rural-inclusive program design ensures that communities with persistent housing access barriers are included as broader reforms like the Rural Housing Insecurity Index are developed.

**Recommendation 5: Prioritize rural access in existing federal housing programs.** Improve the accessibility and fairness of federal programs by embedding rural-specific priorities into funding structures and processes.

*Key actions:*

- Modify criteria in HUD's Community Development Block Grants (CDBG), as well as USDA, programs to better support rural-serving projects.
- Adjust scoring and selection criteria within HUD's CDBG and USDA programs to prioritize rural-serving proposals.
- Reduce administrative and capacity barriers by funding technical assistance and regional grant programs to help rural communities navigate and access federal housing resources.
- Ensure that Farm Bill–authorized housing programs such as USDA Section 515 are included in broader efforts to strengthen rural access and align with cross-agency housing strategies.
- Support proposed legislation: Strategy and Investment in Rural Housing Preservation Act of 2025 ([S.885](#))

Without targeted access strategies, rural communities remain under-resourced. This recommendation ensures that they can fully participate in and benefit from existing programs designed to expand and improve on housing access. By explicitly linking Farm Bill-authorized programs like Section 515 to HUD



and other federal housing initiatives, policymakers can strengthen coordination and ensure rural housing is recognized as a critical part of both agricultural and community development policy.

**Recommendation 6. Expand rural housing infrastructure investments through dedicated federal funding.** Establish and expand specific funding streams focused on rural housing access, infrastructure, and long-term community resilience.

*Key actions:*

- Create and/or expand rural-dedicated grant programs and low-interest loans within HUD, USDA, and EDA for planning, development, and housing access.
- Streamline federal application and reporting processes to reduce administrative burden and make programs more achievable for small, low-income, and rural communities with limited staff capacity.
- Provide expanded technical assistance and navigation support to help rural applicants access available programs, from pre-application guidance to post-award compliance.
- Incentivize public-private partnerships for rural housing development and renovation.
- Ensure that rural-specific set-asides or evaluation preferences are included in competitive federal grant programs.
- Support proposed legislation: Rural Housing Service Reform Act ([S. 1260](#)) and Neighborhood Homes Investment Act ([H.R. 2854](#))

Many existing federal housing programs do not adequately reach rural areas. Resources are often distributed disproportionately to urbanized communities, where capacity to apply is higher and program structures fit better. Small, low-income, and rural communities frequently face barriers due to complex applications, limited staff capacity, and loopholes that do not account for rural realities. Dedicated funding, streamlined processes, and accessible technical assistance will ensure rural communities can equitably compete for resources and that housing access is recognized as a foundational part of rural economic development.

**Recommendation 7: Integrate rural housing into federal workforce development priorities.** Recognize rural housing as a key workforce infrastructure issue and coordinate investments accordingly.

*Key actions:*

- Align rural housing initiatives with NRHA workforce policy priorities and HRSA rural workforce shortage data.
- Support housing projects linked to recruitment and retention of rural health care, education, and public sector professionals.
- Include rural housing access in federal workforce development grant strategies and planning guidance.

Workforce shortages in rural areas are often tied to lack of available, affordable housing. Addressing housing as a workforce infrastructure challenge will improve retention, economic growth, and rural community viability.

**Recommendation 8: Strengthen EDA's role in advancing rural housing through economic development policy.** Direct the EDA to explicitly incorporate rural housing access as a priority in economic development strategies, including within Comprehensive Economic Development Strategies (CEDS), funding criteria, and interagency partnerships.



## *Key Actions:*

- Require EDA to integrate rural housing needs into CEDS guidance, regional investment priorities, and evaluation frameworks.
- Provide dedicated planning and implementation grants to regions incorporating rural housing as an economic development objective.
- Align EDA investments with housing-related priorities from HUD, USDA, and HHS to support multi-agency, cross-sector regional initiatives.
- Offer rural-focused technical assistance to support capacity-limited communities in developing housing-inclusive strategies.
- Expand flexible funding avenues through EDA and local development districts to support rural housing development and preservation.

Rural communities will face challenges attracting or retaining workforce, businesses, or services without housing. Positioning housing as a core component of regional economic development within EDA's authority ensures that federal investment strategies are responsive to local needs and rooted in long-term, place-based sustainability.

## **Conclusion**

Rural housing insecurity is a critical policy issue that directly impacts health, workforce, and economic vitality. Too often, rural communities face unique barrier-limited rental supply, substandard quality, and low local capacity that are overlooked in broader housing policy. Through these recommendations, NRHA seeks to elevate rural housing as a shared federal priority, align federal programs and data tools to reflect rural realities, and ensure equitable access to resources. Addressing housing is not only about stability and affordability; it is about sustaining the rural health workforce, improving health outcomes, and securing the long-term resilience of rural communities.



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